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Abstract

This paper suggests a new theory for value creation: that consumers can create value for themselves with few exchanges with other economic actors. This form of value creation, that this paper conceptualizes as self-sufficient value creation, challenges service-dominant logic in which value is always understood to be co-created among many economic actors. In so doing, self-sufficient value creation adds a fourth regime to Arnould's three regimes of value: gift exchange, systems of barter and market exchange.

Grönroos and Voima have conceptualized independent value creation in which customers create value independently from service providers. Self-sufficient value creation distinguishes itself from independent value creation by stressing that consumers have some generally possessed resources, like social, physical and mental skills, which they utilize for their own benefit. This contrasts with independent value creation, which implicitly presupposes that resources are always obtained from service providers for a specific use.

The paper discusses the theoretical background of service-dominant logic and lays out six foundational premises of self-sufficient value creation. Finally, service-dominant logic is criticized for its overt emphasis on managerial implications, which is argued to hamper its abilities to explain value creation in various contexts.

Keywords service-dominant logic, value, value creation

SELF-SUFFICIENT VALUE CREATION

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Introduction

Consumers have an ability to create value for themselves with few exchanges with other economic actors. Running, walking in nature and daydreaming require virtually no resources (money, equipment, knowledge etc.), or input from other economic actors to be beneficial for an individual. However, the pre-eminent theory of value creation in the field of marketing, Service-Dominant Logic (SDL in short) does not seem to account for these situations and contexts. The term SDL was originally coined by Vargo and Lusch (2004), and has since been widely discussed, cited and further developed in top marketing journals (Grönroos, 2008, 2011; Grönroos & Voima, 2013; Lusch & Vargo, 2006; Lusch, Vargo, & O'Brien, 2007; Vargo & Lusch, 2008, 2011, 2016). SDL explains value creation through exchange and cooperation among economic actors (companies, customers, NGOs etc.) and posits that value is always cocreated by multiple economic actors (Vargo & Lusch, 2016). Grönroos (2011) and Grönroos and Voima (2013), building on Vargo and Lusch (2008, 2011), argue that value is created only either in interaction with a service provider, or independently by the customer. Implicit in this independent value creation is the idea of independent consumption of specifically obtained resources from previous exchanges with providers for a specific purpose, such as using power tools for renovation. However, this paper focuses on what I term consumer's generally possessed resources that they use for specific purposes, such knowledge about art. Building on this previous literature (Grönroos, 2008, 2011; Grönroos & Voima, 2013; Lusch & Vargo, 2006; Lusch et al., 2007; Vargo & Lusch, 2008, 2016), and in order to fill this gap, I conceptualize self-sufficient value creation, in which an agentic consumer creates value for herself by using only or mostly her general resources for her own benefit and thus avoiding exchange with others. This conceptualization is needed, as exemplified by Karababa and Kjeldgaard's (2014) call for a further discussion on the concept of value and Arnould's (2014) response to it, in which he calls for research that looks into "how value is routinely created rather than what kinds of value are created" (p. 132).

Whereas SDL has mainly been developed with managerial implications in mind, and with the idea that an economic theory of markets could be based on it (see e.g. Vargo, 2007), this paper draws from and builds on an alternative perspective of value creation proposed by Arnould (2014). Arnould (2014) also acknowledges gifting and barter in addition to the market exchange, where companies prevail. These three systems — gift exchange, systems of barter and market exchange — constitute what Arnould's (2014) calls 'regimes' for value creation and exchange. Despite its broader view on value creation, his regimes are similarly limited in their ability to explain how consumers create value for themselves, by themselves. I will add self-sufficient value-creation as

the fourth regime to the framework by Arnould (2014) in which he cleverly leaves room for self-sufficiency by saying that “value emerges from what people do...typically through the exchange of resources between actors” (p. 130, emphasis mine). Moreover, I will amend the concept of independent value-creation by Grönroos (2011) and Grönroos and Voima (2013), which I, in its current form, do not find to be a suitable umbrella term for self-sufficient value creation, because of its reliance on resources obtained from previous exchanges with providers. In the end, problematic political aspects of SDL, the ability to create value by revamping needs, managerial implications of self-sufficient value creation are discussed. Finally, market theorists are urged to go beyond their own field to look for theories that might better suite their quests for explaining human behavior in the markets.

Theoretical background

Vargo (2018) posits that SDL is a mindset, the foundational proposition of which is that economic actors “are fundamentally concerned with exchange of service—the applications of competences (knowledge and skills) for the benefit of a party”. SDL proposes that “marketing has shifted much of its dominant logic away from the exchange of tangible goods (manufactured things) and toward the exchange of intangibles, specialized skills and knowledge, and processes” (Vargo & Lusch, 2004, p. 1–2). To put it into a historical perspective, Vargo and Lusch liken their model to the thinking of Frédéric Bastiat, who said that “the great economic law is this: services are exchanged for services” (cited in Vargo & Lusch, 2004, pp. 6–7).

Similar to value co-creation as outlined by Prahalad and Ramaswamy (2004) SDL posits that value is always created by companies and customers together instead of companies only (Vargo & Lusch, 2004). In value co-creation, market is seen as a forum—not as a place of exchange or the an aggregation of consumers—where co-creation between companies and consumers takes place (Prahalad & Ramaswamy, 2004). Furthermore, there is no strict separation of producers (companies) and customers that traditionally exists in marketing and economic theory at large. The market is understood as a network, where economic actors—companies, the public sector, consumers, business customers etc.—serve each other.

Several limitations and problematics in the general SDL assumptions have been discussed in previous research (see e.g. Arnould, 2014; Grönroos, 2011; Gummerus, 2013; Hietanen, Andéhn, & Bradshaw, 2018; O’Shaughnessy & O’Shaughnessy, 2009; Venkatesh, Peñaloza, & Firat, 2006). Out of these criticisms, the most pertinent to this paper are assumptions of SDL that 1) value is always phenomenologically determined by the beneficiary (criticism by Grönroos, 2011); 2) consumers are rational, know what they need, and get their needs satisfied by the market (criticism by Hietanen et al., 2018); and 3) value outcomes are positive (criticism by Gummerus, 2013). From

the perspective of this paper, and the idea of self-sufficient value-creation, the most significant problematic assumption of SDL, however, is its insistence on exchange as the source of value. This core limitation is the foundation of self-sufficient value creation, the basics of which, will be discussed in more detail in the following section.

Foundational premises of self-sufficient value creation

Similar to the eleven foundational premises of SDL, like “service is the fundamental basis of exchange” and “all social and economic actors are resource integrators”, outlined by Vargo and Lusch (2016, p. 8), I will outline the foundational premises (FPs) of self-sufficient value creation, followed by an example of self-sufficient value creation in the context of meditation. In this paper, I use the term “self-sufficient value creation” instead of “self-service” or “value self-creation”, because they are used mainly in a commercial contexts, such as ATMs and self-service kiosks (see e.g. Grönroos, 2008, pp. 301–302; Lusch et al., 2007, pp. 9–10; Prahalad & Ramaswamy, 2004; Vargo & Lusch, 2004, p. 13), whereas self-sufficient value creation is uncommercial in nature. This uncommercial nature of self-sufficient does not mean that one conducts her or his value creation in total isolation from the market, but that, for the majority part, one relies on one’s general resources, such as knowledge and skills, when creating value.

FP 1: The insignificance and fewness of exchanges

Although using products and services are a prerequisite for almost anything we do, they are not essential ingredients in many activities that create value. If we say that a jogger is “co-creating” her running experience with her sneakers, we will inadvertently give too much significance for the manufacturer of sneakers in creating the running experience. Grönroos and Voima (2013, p. 138) warn of this kind of mindset reminding that “[i]f we fail to recognize the role of the customer as the creator or constructor of value, the role of the firm grows out of proportion, reverting the evolution away from value-in-use and users as the creators of value, toward value-in-exchange and value for customers being embedded in producer outputs (e.g., products)”. Borrowing from the idea of companies as not creators of value, but mere value facilitators (Grönroos, 2008, 2011; Grönroos & Voima, 2013), a more neutral statement could be formed: that the runner is creating the running experience herself—a self-sufficient activity—that is merely supported or facilitated by her sneakers and the sneaker manufacturer.

Regarding the fewness of exchanges, self-sufficient value creation is similar to the concept of independent value creation by Grönroos and Voima (2013), which to them takes place in the experiential sphere of the customer, where the customer “only interacts with resources obtained

from the firm... but not with the firm's processes" (p. 142). Like independent value creation, self-sufficient value creation does not take place during service encounters.

FP 2: Value is created by utilizing general resources

What distinguishes self-sufficient value creation from independent value creation is the utilization of general resources instead of specific resources that were obtained for a specific purpose. Implicit in Grönroos' and Voima's (2013) article is the idea that resources are always provided and obtained for a specific purpose. In independent value creation, too, a customer is using resources obtained from the market for a specific task.

But how much of the consumers resources, especially operant ones that, according to the foundational premises of SDL, are "the fundamental source of strategic benefit" (Vargo & Lusch, 2016, p. 8) are specific and how much general? Arnould, Price and Malshe (2006) classify consumer's operant resources as physical resources (physical and mental endowment: energy, emotion and strength), social resources (family relationships, consumer communities, commercial relationships) and cultural resources (specialized knowledge/skills, history, imagination). Out of these only specialized knowledge and skills can be considered specifically obtained resources, the rest—more or less general. When a consumer integrates resources, she is, then, integrating mostly general resources.

Furthermore, general resources also refer to the knowledge and skills to use tangible resources in a way that they were not originally intended to. If one uses an old book to create a new lamp shade, she is using the book in a creative way, the value of which cannot be attributed to the provider of the book, because the provider intended the book to be read. Being able to make the lamp shade was fueled by the individual's knowledge and creativity instead of the book itself. On the other hand, should the individual get the idea of making a lamp shade, not from the top of her head, but from a handicraft blog, the value would be co-created with the blog and her general resources.

Because general resources, (time, general knowledge, a home etc.) are, by definition, not obtained for a specific purpose, it is hard to say, what the costs of an activity utilizing general resources are. The costs of general resources are—to borrow an accounting term— "overhead costs" for an individual that cannot be attributed to any specific activity. For these reasons self-sufficient value creation is naturally uncommercial. It is hard for a company to produce a viable business model around the idea of selling any general resources, because it is unclear what the benefits and the costs of utilizing those resources are. For example, the value proposition of a medical degree is easy to understand, because it enables a person to work as a physician (a specific

outcome), whereas the value proposition of a degree on general understanding of human health would be far more difficult to define, because of its generality. General knowledge, of course, has significant value, but because it is hard to capture, fostering it has been mostly left—in most western societies at least—for the public sector (schools, universities, museums etc.).

FP 3: Value is not exchangeable

Vargo and Lusch (2004, p. 13) write that customers can either “engage in self-service...or go to the marketplace”, but they find that it is increasingly hard for the customers to engage in self-service, because “finer degrees of specialization [make customers] increasingly dependent on the market”. This “either-or” thinking is misleading, because the values that self-serving and the marketplace create are inherently different. For example, meditation and anti-depressants are not exchangeable in the sense that they would produce the same experience: meditation can be relaxing in itself, whereas taking anti-depressants is not; meditation takes time and requires one to make an effort in sustaining one’s practice, whereas taking a pill is a simple and fast thing to do; medication has side effects whereas meditation has none, and so forth. Of course, one could say that these are just the inputs and outputs of different solutions, which the consumer weighs, when making a decision about what are the relative costs and benefits of marketplace and self-service solutions. But behavioral economics has showed that the rationales of humans are bounded. In practice, these kinds of rational evaluations of complex inputs and outputs are not weighed, during decision making (Brian, 1994).

To put it more broadly: no two solutions that satisfy a person’s need have the same costs and benefits. In as simple a context as sales promotion, customers do not only gain easily quantifiable and comparable utilitarian benefits, such as savings, but also hedonic benefits such as value expression, entertainment, and exploration (Chandon, Wansink, & Laurent, 2000), which are much more harder to compare than savings. Even when comparing prices and specifications of seemingly similar products, like the same models of smart phones that only differ in their storage capacity and price, it is hard to phenomenologically evaluate the significance of the differences to our lives. What does it mean, if I spend 100 euros more for a larger storage capacity smart phone today compared to buying a smaller capacity version? When and in which context do I experience the loss of this money or the difference in the storage capacity and how does it affect me? How much weight do I put on the future experience of less money or not being able to take more photos because of lack of space? Even in this simplistic comparison setting, these are not easy questions to answer because estimating uncertain future experiences is hard. For this reason, when, we compare and exchange services for services as SDL suggests (Vargo & Lusch, 2008), we are likely to compare only a fraction of the attributes of the experiences. Due to our bounded rationality that

challenges our capability to make—and even interest in making— optimal decisions for ourselves (see e.g. (Gigerenzer & Selten, 2001), we might be asking ourselves limited questions such as “how does it feel like to have 100 euros less on our account today?” instead of more complex, rational, ones such as “how, will having 100 euros less, influence my life in the future?”

FP 4: Only individuals can be self-sufficient

Because SDL is concerned with marketing, it is not a particularly useful framework to think about how consumers come about creating value for themselves, because marketing always takes place between separate economic actors—not within a single economic actor. Vargo and Lusch (2004, p. 2) argue that services are “the application of specialized competences (knowledge and skills) through deeds, processes, and performances for the benefit of another entity or the entity itself”. If services can be the application of specialized competences for the even entity itself, does this mean that such an application could take place without an exchange or exchanges? Could self-sufficient value creation fit the current SDL theory?

Companies and other organizations serve themselves, but they do it by means of exchange: marketing serves production by supplying customer insight, accounting serves the leadership by financial calculations and so forth. Unlike within a company or another organization, where marketing techniques are routinely applied in negotiations between internal customers and internal services providers (a single entity benefiting itself), within a consumer there are no such separate entities that would negotiate, say, should a person serve himself by jogging or by watching TV. Of course, consumers have competing values and desires and internal dialogue (“I would like to be fit and do nothing”), but these values and desires are not separate economic actors—merely the characteristics of a single economic actor. While consumers actively take part in companies’ marketing activities by e.g. seducing themselves by companies’ marketing communication (Belk, Ger, & Askegaard, 2003), consumers do not apply marketing techniques on themselves by themselves. For instance, the consumer’s values do not create goals, which it then tries to market to the consumer’s desires. When motivating ourselves to take action, we are resonating offerings—not within ourselves—but on the market: I would like to jog, because I’ve been told it is healthy and I would like to watch the TV, because it is a product that was successfully marketed to me. How we negotiate between these two alternatives is a continuation of the internalized marketing efforts of others, not an effort in marketing some endogenously generated idea to ourselves.

FP 5: The necessity of struggle

All experiences happen in the brain. We do not experience the world directly, but our experiences are created by the interplay of our sensory organs and our cognitions (perceptions, mental attitudes,

and beliefs) (Burns, 1999). In cognitive-behavioral therapy (CBT), a patient does various exercises that aim at altering the way she interprets stressful and mood reducing situations, not altering the difficult situations themselves (Burns, 1999). It is the distorted interpretations that in CBT are seen as the root cause for mood disorders, not actual events in the objective reality: sadness is a realistic interpretation of negative events, whereas depression and anxiousness uphold a constant distorted and negative view of reality (Burns, 1999). From a value creation perspective, a successful CBT process changes nothing in the objective reality, while subjective reality improves significantly. In a similar vein, in positive psychology, simple exercises are used to foster happiness among everyone—individuals, families and communities—not just the mentally disadvantaged (Seligman, 2005). People can increase their by using one’s strengths in new ways, or writing down three things that went well every day and coming up with reasons behind their success (Seligman, Steen, Park, & Peterson, 2005). These benefits cannot be bought, only made, and are as such, self-sufficient.

Considering Maslow’s hierarchy of needs (Koltko-Rivera, 2006; Maslow, 1943), only the most basic needs, such as physiological needs and the need for safety, can be adequately fulfilled by consumption only. The rest of the needs (belongingness and love needs, esteem needs, self-actualization, self-transcendence) hinge on one’s ability to make an effort. Consumption can, of course, help one in actualizing one’s dreams, gaining respect from others and forming lasting relationships, but it is not a prerequisite for them.

In a sense, we are geared towards self-sufficient value creation, because creating value by ourselves can be inherently satisfying and valuable compared to getting that value from another actor. According to the IKEA effect, people find things more valuable, when they have created them themselves (Norton, Mochon, & Ariely, 2012). The added value in this kind of “self-serving” is evident in many everyday tasks. For a high-paying CEO, it would make economic sense to hire a nanny around the clock to take care of her children, because of her ability to create more economic value at work than at home babysitting. But no matter how hard the nanny would try, she could not create the special social bond on behalf of the CEO for the her and her children, that most of us find so valuable in child rearing.

Being self-sufficient might be odd in contemporary society, but from a historical perspective, it is what humans have been doing for the most of their existence. We should not forget our history as hunter-gatherers—a period that occupied at least 90 percent of human history (Lee & Daly, 2002). Hunter-gatherers are not specialized economic actors that fulfill most of their needs by exchanging goods and services, but versatile producers of goods and services for themselves and the people around them. Food is collected and hunted, tools and shelters made by hand using whatever materials they are able to find, art drawn by oneself

FP 6: Self-sufficiency as a part of a whole

One of the axioms of SDL, according to Vargo and Lusch (2016) is that value is “always uniquely and phenomenologically determined by the beneficiary”. To them value co-creation is “the actions of multiple actors, often unaware of each other, that contribute to each other’s well-being” (p. 8). Grönroos (2011, p. 295) has criticized this view and suggested that it be replaced with “value is always uniquely and both experientially and contextually perceived and determined by the customer” (emphasis mine). Although stressing that value always exists in a specific context is an improvement, the notion of value is still not explained in detail, and it does not differentiate between value outcomes and value creation. According to Gummerus (2013, p. 22), value creation is a continuous assessment that aims to understand how value comes to be through activities, resources and interactions, whereas value outcomes are determinations of what value is and how it is perceived or evaluated in customer reactions or experiences in a certain point of time.

Although value outcomes occur in a certain point of time, outcomes are not only assessed during specific points of consumption, like when using a product, but constantly during the value creation process by companies and consumers alike. Value creation is not just working or incurring costs (negative value outcomes) after which a positive “ultimate” value outcome emerges (profit for companies, valuable service experiences for customers etc.), but an activity in which all kinds of negative and positive value outcomes constantly emerge. Even though a person would run mainly because she would like to be more fit, she is not solely working towards fitness as a later positive value outcome, she is also experiencing and assessing value outcomes here and now: is running fun or tedious? Which parts of it are fun, which are not? She might enjoy running on the whole, but experience discomfort at the same time, while engaging in pleasant discussion with friends. Thinking running just as work that aims towards a fitter body does not adequately represent the benefits and costs that the running experience creates. Studies on exercise motivation have shown that short-term benefits of enjoyment are better at motivating people to move than long-term body-related benefits (Ryan, Frederick, Lepes, Rubio, & Sheldon, 1997). This suggests that it is a better practice to think about the constant value outcomes in a value creation process instead of the more distant “ultimate” value outcomes. Because of this self-sufficient value creation does not merely happen as a sole, distinct value creation activity, but in conjunction with other co-creation activities.

Meditation: an example of required resources in self-sufficient value creation

Comparing activities that result in roughly the same objective benefit, but which differ as much as possible in the significance of exchanges, or self-sufficiency, that take place can shed a light on, what self-sufficient value creation is like in practice. One of the most extreme examples of self-sufficient value creation is meditation: it requires little exchange of services in the form of (commercial) equipment, space, knowledge and skills and its benefits can be attained only or mostly by oneself. Almost any space that is sufficiently quiet is suitable for meditation. For most, a home or a quiet meeting room will do. Because the spaces are not specific for meditation, the cost of attaining them cannot be attributed to meditation only. A home and an office space are general costs and resources of a decent life and work respectively. Although knowledge on meditation is essential for a successful meditation practice, most of the value that meditation brings cannot be attributed to it either, because knowledge of the practice is simple and fast to convey. The essence of meditation can be conveyed in a simple sentence: concentrate on your breathing, try not to alter it and whenever your mind wanders, gently bring your focus back to your breathing (see e.g. Gunaratana, 1996; Hanh, 1999; Kabat-Zinn, 2005). Because the knowledge on meditation has been developed without a specific purpose to benefit any specific contemporary meditator over the span of 2500 years, these instructions can be considered as a “sunk costs” that cannot be allocated to anyone anymore. Knowledge on meditation is not so much about an “economic actor benefiting another economic actor” as SDL would like to imply, but free resources for anyone to benefit from. What meditation mostly requires is time practicing. A meditator needs time for meditating and the (possible) instructor for instructing. Because the benefits are more dependent on the how much and how often a person meditates than to the quality of the instructions (the instructions are very simple and easy to follow) or the space, it is the meditator that has to spent the most time in order to create value by meditating.

If meditation only required a space, time and knowledge, it might be relatively easy to assert that it is always a self-sufficient activity. But like any activity that requires one making an effort, meditation requires an additional resource: motivation. If one’s meditation practice relies on motivation that is generated by using a smart phone application, digesting popular articles on the benefits of meditation or coaching, the meditator cannot be considered as taking part in an activity that is only partly self-sufficient. According to Ryan’s and Deci’s (2000, p. 71) self-determination theory extrinsic motivation refers to the “performance of an activity in order to attain some separable outcome” which contrasts itself with intrinsic motivation that refers to “doing an activity for the inherent satisfaction of the activity itself.” From the standpoint of self-sufficiency, both

extrinsic or intrinsic motivation can be self-sufficient. Enjoying meditation for its own sake is self-sufficient (or autonomous like Ryan and Deci call it), but so are forms of extrinsic motivation. If a person has truly internalized an extrinsically motivated behavior, it is no longer externally regulated by demands and rewards, but by one's own values and needs, which results to greater autonomy (Ryan & Deci, 2000, pp. 72–73).

Of course, using a smartphone app and coaching, and supportive activities alike can have other benefits than motivation, like social benefits and tips for improving one's practice. They might make meditation more fun and thus help one in adhering to a daily practice of it. But if one uses an app for meditation, it is not fruitful to denounce the activity as market activity instead of a self-sufficient activity offhand. Instead of trying to make clearly distinguish one activity as self-sufficient, it best to appreciate the nuances: that an activity can be more or less sufficient, more or less dependent on the exchange market, gifting or barter.

In general, it can be theorized that the consumer is less dependent on the market if: a) the consumer can significantly affect the experience (value outcomes) with her general resources and b) the specific resources needed from other economic actors are of little importance to the outcomes and c) the specific resources are of no to little cost. Similar to value creation in SDL, these are general outlines that cannot be easily implemented in everyday business practices, because of measuring every value outcome phenomenologically in every context is time-consuming and inefficient.

Now, let us consider an example of an activity, which combines general resources and specific resources and the respective value they bring. Some consumption relies almost fully on the market: an urban consumer cannot, by any practical means, grow food for him or herself, which leaves the consumer very much dependent on the market. But this reliance on the market is only true in a narrow sense of value outcomes. The consumer's daily calorie need is wholly dependent on the market, but his or her need for a good tasting food also relies on his or her own self-sufficient actions. A person can have a significant impact on his "taste experiences" with little outside help by just making an effort. A bottle of wine has the same calories whether you drink it straight from the bottle, or whether you pour it into a wine glass, and spend a good half an hour smelling, tasting and discussing it with your friends. The consumer's contribution to the taste experience is paramount. Should a consumer drink wine straight from the bottle, no amount of money spent on good wine can yield a better taste than what can be attained by a more proper way of drinking.

Discussion

Political aspects of SDL

SDL is promoted as a way of co-creating solutions that yield positive results for both the customer and the provider (Jaworski & Kohli, 2006; Vargo & Lusch, 2016). To Vargo and Lusch (2016), the receiver of value is considered as a “beneficiary”. But this is problematic because, as Gummerus (2013) points out, it does not take into account that value outcomes may be negative and/or asymmetric for economic actors. Buying something does not necessarily mean that the customer is better off after the purchase and providing a service does not presuppose that the service provider is making a profit or benefiting of the exchange by some other way (e.g. an NGO fulfilling a strategy). To put it another way: value-in-exchange does not presuppose a corresponding value-in-use. In a way this can be seen as an inability to appreciate the irrational behavior (e.g. buying something that makes the consumer worse off) of consumers. According to Hietanen, Andéhn, and Bradshaw (2018, p. 112) SDL’s notions of value “are guided by assumptions (1) that consumers are goal directed and rational, (2) generally know what they are looking for in service experience, and (3) that capitalism is the natural system where such ‘needs’ are met.” Furthermore, they posit that SDL scholars, who often write from a marketing management perspective, heavily downplay the importance of power relations in value co-creation, such as the power of the market to influence the needs and wants of consume. For Hietanen et al. (2018), it is a political statement to say that customers are “beneficiaries” of solutions that address their needs, because their needs are shaped by the market, which has tremendous power over the decisions of consumers’. If at first, a consumer does not need something, but then the need arises because of a marketing effort, satisfying that need might create economic value, but it is debatable, whether the consumer has benefited in any way. Marketers do not merely discover preexisting consumer needs but constitute them with consumers in the marketplace (Venkatesh et al., 2006, p. 257). Even consumers, who actively try to resist the market forces, may end up being seduced by it. In Holt’s (2002, p. 79) study on consumer resistance, one consumer, who tried to minimize his dependence on the market and worked with every commodity to make them his own, was paradoxically at the same time very much seduced by the market offerings, because he found them useful in enhancing his expressive consumption. Holt states that his “playful artistic consumption style produces endless quests for commodities”.

Creating value by revamping needs

The market does not care whether it truly co-creates solutions for actual needs or whether it conjures up and incites previously nonexistent needs for the customer. Should the customer, in the

end, have a need that the producer can profitably satisfy, is sufficient. Consider a consumer, who, after years of saving, buys a car she has always dreamed of. For a while, she is immensely satisfied, but then she finds out she has won in a lottery—and decides to buy an even fancier car. In the end, was she more satisfied by the new car than she would have been with her ‘old’ car? Was any phenomenologically assessed value created, or did just the possibility of being able to buy, create the need to buy?

Judging by the lavish lifestyles of Saudi princes and other billionaires, no amount of consuming seems to satisfy all human needs for good. Humans will always crave for more no matter what their status in absolute terms is. Despite the exponential rise in wealth and health that the citizens of developed nations have had the privilege to enjoy, they are not cutting back on consumption, but doubling down on it. GDP per capita is growing in most developed and developing countries (indexmundi, 2018) reflecting our never-ending desire to consume more.

Consumers can create value in ways that markets cannot: they can diminish, or erase needs, like the need for a social status, without replacing them with other needs. The market, on the other hand, can only encourage a consumer to shift needs from one commercial need to be satisfied with another commercial need. The market dreads getting rid of profitable needs altogether—even if getting rid of a need would ultimately create the most value for a consumer—because without them, the markets would shrink. For instance, a sleep deprived person would be better off without watching her favorite TV series in the evening, but the market will not help her to get rid of the need and be done with it, unless another profitable need, like paid sleep therapy, is introduced in conjunction with the encouragement. Now, the outcome is similar whether one decides by oneself not to watch TV or whether one consults a sleep specialist before reaching the same conclusion, but because the independently made decision is less costly, it creates more value for the consumer than visiting the specialist.

Creating value by other than commercial means could be beneficial, since money and happiness are only weakly correlated. Only 5 % of the differences in the subjective well-being of people can be explained by their affluence, out of which affluence mostly explains the differences among the very poor and not-poor (Ahuvia, 2002). If happiness cannot be explained by being able to consume, this means that some people are better at creating happiness with fewer financial resources. Could a frugal way of creating happiness be taught and learnt? Maybe, but it is not easy for people to cut back on consumption while retaining one’s current state of well-being. In a phenomenological study by McGouran and Prothero (2016), eight Irish women, who were asked to voluntarily consume less, felt uneasy and anxious by their inability to consume. Only limited changes in their consumption practices occurred, when their practices before the 2–12 months study

period were compared to those after it. After the study, seven of the eight participants did not continue their efforts to voluntarily consume less.

Erasing craving presupposes a significant amount of determination and skills that the consumers might not, in general, have. It seems unlikely that consumers could just decide to alter their needs without the help of others, which renders this need-altering value creation out of the sphere of self-sufficient value creation. But with help, cutting back on consumption, is possible. Cognitive behavioral therapy (CBT) can be used for overcoming very harmful form of craving—Compulsive Buying Disorder (CBD) (Mitchell, Burgard, Faber, Crosby, & de Zwaan, 2006), in which a person is preoccupied with shopping and spending that is often fueled by anxiety or urges (Black, 2007). A meta-study on the effectiveness of CBD treatments pointed out that CBT can only be regarded as a promising treatment, because of inconsistent study quality and a risk for publication bias among CBD treatment studies (Hague, Hall, & Kellett, 2016). If in the future, the effectiveness of CBT treatment for CBD solidifies, it would also suggest that ‘normal’ consumers, who would like to cut back their consumption, could do it without feeling uneasy and anxious about it to the point of not continue on doing it as exemplified by McGouran and Prothero’s (2016) phenomenological study.

Political implications of self-sufficient value creation

Understanding how consumers create value for themselves can shed a light on the complexities of leading and promoting an environmentally and physically healthy life. Having an environmentally and physically healthy lifestyle is hard to attain by just consuming more physically and environmentally healthy goods; rather, it demands uncommercial actions from the consumer and revamping one’s current habits (exercising, flossing teeth, eating healthy foods, consuming less etc.). In our current market economy, there is little incentive for companies to motivate consumers to engage in actions of significant subjective value and no economic value. On the contrary, many companies have an incentive to suppress such actions. Psychotherapists and anti-depressant manufacturers have the incentive to suppress the exercise of meditation—a predominantly uncommercial solution for reducing stress and anxiety—because it competes against their commercial solutions. There is, of course, economic value in successful dieting as well as meditation (personal and public health, more productive employee from the employer’s perspective, more taxes collected etc.), but that value is hard for a single company or the public sector to fully calculate and capture. Selling books about dieting and meditation are cheap (commercial activity) compared to the value created from dieting and meditation actions (uncommercial activity). Because many of the benefits, regarding actions that create significant subjective value and little to

no economic value, are postponed to the future and dispersed around individuals and organizations across society, the incentives to support these actions are small for companies, governmental organizations and politicians alike.

In general, not being able to see the uncommercial solutions significantly reduces the “assortment” available to satisfy various needs. Consumers, bombarded with ads from travel agencies, dream of exploring nature on the other side of the globe without ever thinking about walking to the woods next door. Sure, the lagoons of Bali might be more beautiful than the pond in the woods, but is the difference truly that of two intercontinental flights to two local bus rides? One could level the playing field by highlighting the available uncommercial solutions or downplaying the available uncommercial solutions. The public sector and NGOs tout some key uncommercial solutions, like the benefits of exercise, eating well and saving money for retirement. But because the world abounds uncommercial solutions that pop up only in specific contexts and for specific consumers, it is impossible to commend every salient uncommercial solution, whereas the market is constantly on the lookout for yet to be commercialized needs. A more effective solution could be to reduce the public’s exposure to advertising; not just the exposure to clearly harmful services and products, such as alcohol, tobacco and gambling, but exposure to all advertising in general. If the minds of consumers would not be so fully packed with commercial solutions, it could leave more room for uncommercial solutions to emerge. What kinds of gifts would be given during Christmas if consumers were not so primed to only consider making someone happy by just buying things? If you only consider tangible things to be worthy presents, you might miss your loved ones’ innermost needs. What if your mother would just like to have a heartfelt conversation and a helping hand during preparations? Are you able to see through the lures of advertising and consider uncommercial solutions as well to make her happy?

Going past value and consumption

According to Grönroos and Voima (2013) there is no way to assess the value outcomes created by different activities, because value outcomes are only created in use. There is no value in creating a product, only in using it. They argue that value creation is bound to the use of a service or a product in a specific context and instead of value per se, service providers can only provide value propositions. Vargo and Lusch (2016) go even further and argue that no economic actor can deliver value, only offer value propositions. To me, both Vargo and Lusch (2016) and Grönroos and Voima (2013) are going beyond the point, since not all value is created and consumed by humans. Our very existence depends on value that is created in the ecosystems of nature. The Sun, minerals of the Earth and the animal and plant life the Earth enables are not mere “value propositions” but

prerequisites to life of humans. Graeber (2011, p. 501) suggests in his article about the conceptual problems of the term ‘consumption’ that we should not be imbue and divide all human activity into spheres of ‘consumption’ and ‘production,’ but to treat “consumption not as an analytical term but as an ideology to be investigated” (p. 502), because consumption is also the “sphere of the production of human beings, not just as labor power but as persons, internalized nexes of meaningful social relations”. No matter how hard humanity would try, we could never consume—that is to exhaust, own or to evaporate—the Sun or to be in any bilateral transaction with it. They are not economic actors, with whom all value is created, as outlined by Vargo and Lusch (2016).

Although some animal behavior might be explained by market theories (Noë, van Schaik, & van Hooff, 1991), ethology is a far superior way to study animal behavior instead of market theory. Similarly, not all human transactions are amenable to the logics of the exchange market, or even to the three ‘regimes’ of value creation by Arnould (2014) (market exchange, gifting and barter) and my idea of self-sufficient value creation. We, like any animals, also give, take and make notwithstanding any intentionality that is implicitly embedded in all the aforementioned regimes. Having a conversation with a friend is to give, take and make all at the same time, but it is not fruitful to try to explain it as a ‘value creation process’ between economic actors, but rather through more suitable lenses of psychology, sociology, anthropology and social psychology. I join Hietanen, Andéhn and Bradshaw (2018) in their criticism that SDL spreads the notion of ‘value’ to all human relations and seems to be viewing society “as comprised entirely of shoppers and marketers who continuously balance out market relations by co-creating mutually beneficial ‘value.’” (p. 113). If SDL is to “surpass the confinements of neoclassical economics” and “create a positive theory of human exchange” as Vargo (2007) hopes, it would be wise for the scholars of SDL to embrace a more nuanced notion of the consumer experience and value creation process, broaden their view of human behavior—even when it relates to market behavior—by incorporating theories outside the sphere of market and business research.

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